

Judge Benton

FILED ENTERED
LODGED RECEIVED

MAY 04 2004

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

I hereby certify that the
annexed instrument is a true
and correct copy of the original
on file in my office.
ATTEST: BRUCE RIFKIN
Clerk, U. S. District Court
Western District of Washington
By H. Brent Zachary
Deputy Clerk

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL ANDERSEN,
DAVID STRUCKMAN, and
LORENZO LAMANTIA

Defendants.

MAGISTRATE'S DOCKET NO.
CASE NO.

04-255M

COMPLAINT for VIOLATION

Title 18 U.S.C. Section 371

BEFORE, MONICA J. BENTON, United States Magistrate Judge, Seattle, Washington.

The undersigned complainant being duly sworn states:

18 U.S.C. § 371-KLEIN CONSPIRACY

A. Background

1. "Global Prosperity" was an organization founded by DANIEL ANDERSEN and DAVID STRUCKMAN in 1996 which, during its existence through May 2002, was in the business of selling a 12-part audiotape/cd series and seminar tickets to offshore seminars. During its existence, Global Prosperity received gross receipts in excess of forty nine million dollars (\$49,000,000). Global Prosperity was known by various names including Global Prosperity Marketing Group, the Global Prosperity Group and the Institute of Global Prosperity (hereinafter, referred to as "Global Prosperity").

2. DANIEL ANDERSEN is a United States citizen who resided in Leominster, Massachusetts

1 and Oxnard, California. DANIEL ANDERSEN co-founded Global Prosperity in 1996.

2 3. DAVID STRUCKMAN is a United States citizen who resided in Renton and Issaquah,
3 Washington. DAVID STRUCKMAN co-founded Global Prosperity with DANIEL ANDERSEN
4 in 1996.

5 4. LORENZO LAMANTIA is a United States citizen who resided in Mountain Ranch,
6 California. LORENZO LAMANTIA became a recognized founder of Global Prosperity in July
7 1998.

8 5. Global Prosperity sold the following goods and services:

9 a. Global 1 (G1) - a 12-part audiotape/cd series retail priced at \$1,250 that was
10 advertised as a comprehensive home-study course featuring "wealth-building" strategies.

11 b. Global 2 (G2) - a seminar ticket to a three-day offshore seminar retail priced at \$6,250.
12 The Global 2 event was sponsored by Global Prosperity and advertised as an opportunity for G2
13 attendees to apply the wealth building strategies discussed on the G1 audiotape/cd series.

14 c. Global 3 (G3) - a seminar ticket to a five-day offshore seminar retail priced at
15 \$18,750. The Global 3 event was sponsored by Global Prosperity and advertised as advanced
16 training in implementing wealth building strategies.

17 d. Global 4 (G4) - a seminar ticket to a private, invitation-only seminar held at Jekyll
18 Island, Georgia, in November 2000, retail priced at \$37,000. The private three-day seminar was
19 hosted by Global Prosperity for its top salespeople.

20 6. During these offshore seminars, DANIEL ANDERSEN, DAVID STRUCKMAN, and
21 LORENZO LAMANTIA appeared together on stage and represented themselves as the founders
22 and principals of Global Prosperity.

23 *B. The Offense*

24 7. From as early as May 1996, through in or about May 2002, in the Western District of
25 Washington and elsewhere, DANIEL ANDERSEN, DAVID STRUCKMAN and LORENZO
26 LAMANTIA knowingly, intentionally, and unlawfully conspired with each other to defraud the
27 United States by dishonest and deceitful means by attempting to impede, impair, obstruct and
28 defeat the lawful government functions of the Internal Revenue Service (IRS) of the United States

1 Treasury Department in the ascertainment, computation, assessment and collection of revenue:
2 to wit, income tax.

3 *C. Object of the Conspiracy*

4 8. DANIEL ANDERSEN, DAVID STRUCKMAN and LORENZO LAMANTIA conspired
5 to defraud the United States by utilizing a system of bogus trusts, nominee entities and related
6 bank accounts to conceal the business of Global Prosperity and conceal millions of dollars of
7 taxable income and profits DANIEL ANDERSEN, DAVID STRUCKMAN, and LORENZO
8 LAMANTIA earned from Global Prosperity.

9 *D. Manner and Means of the Conspiracy*

10 9. To further the conspiracy, DANIEL ANDERSEN, DAVID STRUCKMAN and
11 LORENZO LAMANTIA created and maintained five bogus trusts with related bank accounts and
12 one nominee entity with a related bank account to conceal the business operations of Global
13 Prosperity.

- 14 a. The bogus trusts and related bank accounts were named:
15 Capital Finance Group (CFG);
16 Educational Publishing Systems (EPS);
17 Independent Diversity Entrepreneurs & Associates (IDEA);
18 Pacific Dynamics Foundation (PDF); and
19 International Free Enterprise Associates (IFEA).

20 Legitimate trusts have independent third-party trustees who hold legal title to the assets and
21 income of the trusts for the benefit of the named beneficiaries. However the above named trusts
22 are alter-ego or bogus trusts because DANIEL ANDERSEN and LORENZO LAMANTIA
23 owned, controlled and managed the trust assets at all times.

24 b. The nominee entity and related bank account was named Alternate Ventures.
25 DAVID STRUCKMAN owned and controlled the assets of Alternate Ventures at all times.

26 10. In furtherance of the conspiracy, DANIEL ANDERSEN, DAVID STRUCKMAN and
27 LORENZO LAMANTIA directed purchasers of Global products to remit payment in the names
28 of the five bogus trusts and one nominee entity listed above.

1 11. In furtherance of the conspiracy, DANIEL ANDERSEN, DAVID STRUCKMAN and
2 LORENZO LAMANTIA deposited their respective shares of income earned from Global
3 Prosperity into secondary bank accounts opened and maintained in the names of other bogus trusts
4 or nominee entities as set forth below. DANIEL ANDERSEN, DAVID STRUCKMAN and
5 LORENZO LAMANTIA made personal expenditures from these accounts.

6 a. A majority of the profits DANIEL ANDERSEN received from Global Prosperity
7 totaling approximately \$3,700,000 were deposited into two bank accounts DANIEL ANDERSEN
8 opened and maintained in the names of Dynamic Strategy Foundation and The Atlas Group;

9 b. A majority of the profits DAVID STRUCKMAN received from Global Prosperity
10 totaling approximately \$5,100,000 were deposited into two nominee bank accounts DAVID
11 STRUCKMAN opened and maintained in the names of Crescent Moon Enterprises and
12 Specktackular Holdings;

13 c. A majority of the profits LORENZO LAMANTIA received from Global Prosperity
14 totaling approximately \$2,500,000 were deposited into three bank accounts LORENZO
15 LAMANTIA opened and maintained in the names of Pacific Dynamics Foundation (PDF), Galt
16 Group, and KAYLO;

17 12. In furtherance of the conspiracy, DANIEL ANDERSEN, DAVID STRUCKMAN and
18 LORENZO LAMANTIA did not file individual income tax returns; trust returns or trust
19 statements; corporate tax returns; partnership returns; or Schedule C (sole proprietorship) filings
20 as required by law.

21 *E. Overt Acts in Furtherance of the Conspiracy*

22 In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts,
23 among others, were committed in the Western District of Washington:

24 13. On or about October 29, 1996, DAVID STRUCKMAN modified the name of a bank
25 account he previously opened in the name of Alternate Ventures at US Bank in Renton,
26 Washington by adding the trailer "dba Global Prosperity Marketing Group" after which thousands
27 of checks and money orders for Global Prosperity membership fees and products were deposited
28 into the account.

1 14. On or about September 23, 1998, DAVID STRUCKMAN modified the name on his
 2 Alternate Venture bank account from "Alternate Ventures dba GPMG" to "Alternate Ventures
 3 dba EPS."

4 15. DAVID STRUCKMAN distributed profits earned from Global Prosperity to DANIEL
 5 ANDERSEN and LORENZO LAMANTIA by causing to be remitted the following checks from
 6 the Alternate Ventures (AV) bank account:

Overt Act	CHECK DATE	PAYER	PAY TO	AMOUNT	AV CHECK #
15(a)	11/1/96	Alternate	Crescent Moon	9,000	1048
	11/1/96		Crescent Moon	3,500	1049
	11/1/96		DSF	9,000	1054
	11/1/96		DSF	3,500	1055
15(b)	10/9/97	Alternate	PDF	7,000	1434
	10/9/97		DSF	7,000	1435
15(c)	10/21/97	Alternate	PDF	7,000	1441
	10/21/97		DSF	7,000	1442
15(d)	11/3/97	Alternate	PDF	6,747.48	1454
	11/3/97		DSF	6,747.48	1455
15(e)	11/10/97	Alternate	DSF	7,000	1458
	11/10/97		PDF	7,000	1459
15(f)	11/26/97	Alternate	PDF	6,109.96	1465
	11/26/97		DSF	6,109.96	1466
15(g)	12/10/97	Alternate	DSF	7,000	1478
	12/10/97		PDF	7,000	1479
15(h)	12/18/97	Alternate	DSF	7,000	1488
	12/18/97		PDF	7,000	1489
15(i)	12/22/97	Alternate	PDF	8,178.33	1490
	12/22/97		DSF	8,178.33	1491

1	15(j)	12/27/97	Alternate	DSF	1,501.50	1500
2		12/27/97		PDF	1,501.50	1501
3	15(k)	1/5/98	Alternate	DSF	29,505	1507
4		1/5/98		PDF	29,505	1508
5	15(l)	1/21/98	Alternate	DSF	6,183.33	1520
6		1/21/98		PDF	6,183.33	1521
7	15(m)	1/28/98	Alternate	PDF	4,153.33	1526
8		1/28/98		DSF	4,153.33	1527
9	15(n)	2/4/98	Alternate	DSF	4,422.13	1533
10		2/4/98		PDF	4,422.13	1534
11	15(o)	2/11/98	Alternate	PDF	4,503.33	1537
12		2/11/98		DSF	4,503.33	1538
13	15(p)	2/17/98	Alternate	PDF	4,328.33	1547
14		2/18/98		DSF	4,328.33	1548
15	15(q)	3/4/98	Alternate	DSF	1,709.33	1551
16		3/4/98		PDF	7,584.33	1552
17	15(r)	3/17/98	Alternate	PDF	3,336.66	1573
18		3/17/98		DSF	3,336.66	1574
19	15(s)	3/27/98	Alternate	PDF	6,526.26	1602
20		3/27/98		DSF	6,526.26	1603
21	15(t)	4/8/98	Alternate	PDF	5,366.66	1615
22		4/8/98		DSF	5,366.66	1616
23		4/8/98		Specktackular	5,366.66	1617
24	15(u)	4/22/98	Alternate	DSF	5,509	1618
25		4/22/98		PDF	5,509	1619
26		4/22/98		Specktackular	5,509	1620
27	15(v)	4/29/98	Alternate	PDF	4,319	1626
28		4/29/98		DSF	4,319	1627
		4/29/98		Specktackular	4,319	1628

1	15(w)	5/6/98	Alternate	PDF	3,479	1633
2		5/6/98		DSF	3,479	1634
3	15(x)	5/12/98	Alternate	PDF	3,465	1638
4		5/12/98		DSF	3,465	1639
5	15(y)	5/21/98	Alternate	PDF	2,690.33	1649
6		5/21/98		DSF	2,690.33	1650
7	15(z)	6/19/98	Alternate	DSF	9,748	1655
8		6/22/98		PDF	9,748.66	1656
9	15(aa)	6/25/98	Alternate	PDF	1,346.33	1662
10		6/25/98		DSF	1,346.33	1663
11	15(bb)	7/2/98	Alternate	PDF	2,072	1670
12		7/2/98		DSF	2,072	1671
13	15(cc)	7/8/98	Alternate	PDF	2,219	1673
14		7/8/98		DSF	2,219	1674
15	15(dd)	10/15/98	Alternate	Specktackular	50,000	1583
16		10/16/98		PDF	50,000	1584
17		10/19/98		CFG	50,000	1591
18	15(ee)	5/19/00	Alternate	ATLAS	18,000	1930
19		5/19/00		PDF	18,000	1931
20		5/19/00		Specktackular	18,000	1932
21	15(ff)	10/12/00	Alternate	PDF	20,000	2198
22		10/12/00		DSF	20,000	2199
23		10/12/00		Specktackular	20,000	2200
24	15(gg)	11/13/00	Alternate	DSF	25,000	2031
25		11/13/00		PDF	25,000	2032

All in violation of Title 18, United States Code, Section 371.

1 And the complainant states:

2 I, JEFFREY A. HOLM, being first duly sworn on oath, deposes and says:

3 1. I am employed as a Special Agent with the Internal Revenue Service Criminal Investigation
4 (CI), of the Department of the Treasury, and have been so employed since October of 1988. I
5 am currently assigned to CI's Seattle Field Office in Seattle, Washington. As a Special Agent,
6 my duties are to investigate criminal violations of the Internal Revenue Code (IRC), enumerated
7 as Title 26, and various sections of Title 18, including Section 371, and various sections of Title
8 31.

9 2. I make this affidavit in support of an application for issuance of a criminal complaint and
10 arrest warrants, in connection with an IRS criminal investigation, for the following persons:
11 DANIEL ANDERSEN, DAVID STRUCKMAN, and LORENZO LAMANTIA.

12 3. I submit that probable cause exists to show that DANIEL ANDERSEN, DAVID
13 STRUCKMAN, and LORENZO LAMANTIA conspired with each other to defraud the United
14 States in violation of Title 18, United States Code Section 371.

15 4. I, along with other Special Agents of the IRS, have been engaged in a criminal investigation
16 into the activities of DANIEL ANDERSEN, DAVID STRUCKMAN, LORENZO LAMANTIA
17 and others associated with an entity known by various names including Global Prosperity Marketing
18 Group, Global Prosperity Group and the Institute of Global Prosperity (hereinafter Global
19 Prosperity).

20 SOURCES OF INFORMATION

21 5. The information used to support this affidavit was derived from, among other sources:
22 Special Agents of the Internal Revenue Service Criminal Investigation; a bank records analysis of
23 accounts opened and maintained by DANIEL ANDERSEN, DAVID STRUCKMAN and
24 LORENZO LAMANTIA; an IRS undercover operation; statements of witnesses with knowledge
25 of Global Prosperity; an analysis of search warrant evidence obtained from the home/offices of
26 DANIEL ANDERSEN, DAVID STRUCKMAN, LORENZO LAMANTIA and others executed
27 on February 28, 2001; and other financial records including sales receipts, escrow documents,
28 mortgage documents, and title documents.

1 BACKGROUND

2 6. "Global Prosperity" was an organization founded by DANIEL ANDERSEN and DAVID
3 STRUCKMAN in 1996 which, during its existence through May 2002, was in the business of
4 selling a 12-part audiotape/cd series and seminar tickets to offshore seminars. LORENZO
5 LAMANTIA became a recognized founder of Global Prosperity in July 1998.

6 7. I learned from cooperating witnesses and an IRS Undercover Investigation that Global
7 Prosperity sold the following goods and services:

8 a. Global 1 - a 12-part audiotape/cd series retail priced at \$1,250 that was advertised
9 as a comprehensive home-study course featuring "wealth-building" strategies. These strategies
10 included false methods of income tax elimination through, among other things, (1) "voluntary
11 withdrawal" from the jurisdiction of the United States; (2) placing assets in purported foreign or
12 common law trusts without giving up ownership or control of the assets.

13 b. Global 2 - a seminar ticket to a three-day offshore seminar retail priced at \$6,250.
14 The Global 2 event was sponsored by Global Prosperity and advertised as an opportunity for G2
15 attendees to apply the wealth building strategies discussed on the G1 audiotape/cd series.
16 Independent vendors touted as "experts" paid Global Prosperity a fee to promote fraudulent tax
17 elimination schemes including the sale of bogus trusts and programs designed to assist G2 attendees
18 to "withdraw" from the United States' jurisdiction.

19 c. Global 3 - a seminar ticket to a five-day offshore seminar retail priced at \$18,750.
20 The Global 3 event was sponsored by Global Prosperity and advertised as advanced training in
21 implementing wealth building strategies that featured the same vendors at the Global 2 events.

22 d. Global 4 - a seminar ticket to a private, invitation-only seminar held at Jekyll Island,
23 Georgia, in November 2000, retail priced at \$37,000. The private three-day seminar was hosted
24 by Global Prosperity for its top salespeople.

25 PROOF OF KLEIN CONSPIRACY

26 8. I learned from an IRS undercover operation and cooperating witnesses that during the Global
27 Prosperity offshore seminars, DANIEL ANDERSEN, DAVID STRUCKMAN, and LORENZO
28 LAMANTIA appeared and presented themselves together on stage as the founders and principals

1 of Global Prosperity.

2 Bank Account Analysis

3 9. I have identified six primary bank accounts opened and maintained by DANIEL
4 ANDERSEN, DAVID STRUCKMAN and LORENZO LAMANTIA.

5 a. DANIEL ANDERSEN had signature authority over bank accounts he opened and
6 maintained in the name of Capital Finance Group (Enterprise Bank & Trust) and Independent
7 Diversity Entrepreneur & Associates (Enterprise Bank). During the investigation, Fleet Bank was
8 unable to provide me a copy of the signature card for the Educational Publishing Systems bank
9 account. Nonetheless, I conclude that DANIEL ANDERSEN exerted dominion, ownership and
10 control of this bank account because he caused deposits to be made into the bank account, wrote
11 checks from the bank account, and received the bank statements. In addition, a witness familiar
12 with the use of this bank account has confirmed that DANIEL ANDERSEN had dominion,
13 ownership and control of the bank account.

14 b. DAVID STRUCKMAN had signature authority over a bank account he opened and
15 maintained in the name of Alternate Ventures (US Bank).

16 c. LORENZO LAMANTIA had signature authority over bank accounts he opened and
17 maintained in the name of Pacific Dynamic Foundation (Bank of America) and International Free
18 Enterprise Association (Bank One).

19 10. IRS Revenue Agents conducted an analysis of these six bank accounts including all deposit
20 and check items for the time period alleged in this complaint. The analysis concluded that these
21 six accounts received business receipts associated with the sale of Global products totaling
22 approximately \$49,000,000 dollars.

23 11. I have identified a secondary series of bank accounts opened and maintained by DANIEL
24 ANDERSEN, DAVID STRUCKMAN, and LORENZO LAMANTIA.

25 a. DANIEL ANDERSEN had signature authority over the account he opened and
26 maintained in the name of Dynamic Strategy Foundation (Enterprise Bank). During the
27 investigation, Fleet Bank was unable to provide a copy of the signature card for the Atlas Group
28 bank account. Nonetheless, I conclude that DANIEL ANDERSEN exerted dominion, ownership

1 and control of this bank accounts because he caused deposits to be made into the bank account,
2 wrote checks for personal expenditures from the bank account, and received the bank statements.

3 b. DAVID STRUCKMAN had signature authority over accounts he opened and
4 maintained in the name of Crescent Moon Enterprises (US Bank), and Specktackular Holdings (US
5 Bank).

6 c. LORENZO LAMANTIA had signature authority over accounts he opened and
7 maintained in the name of Pacific Dynamics Foundation (Bank of America and Wells Fargo), Galt
8 Group (Bank of America, Bank One, First State Bank of Dix) and KAYLO (Bank of America and
9 Asian American Bank). During the investigation, Bank of America was unable to provide a copy
10 of the signature card for the KAYLO bank account. During the investigation, Wells Fargo was
11 unable to provide a copy of the signature card for the Pacific Dynamics Foundation bank account.
12 Nonetheless, I conclude that LORENZO LAMANTIA exerted dominion, ownership and control
13 of these bank accounts because he caused deposits to be made into the bank accounts, wrote
14 checks for personal expenditures from the bank accounts, and received the bank statements.

15 12. IRS Revenue Agents conducted an analysis of the secondary bank accounts including all
16 deposit and check items and concluded that these accounts received regular profit distributions
17 from the primary bank accounts. Specifically, the analysis concluded the following:

18 a. DANIEL ANDERSEN received and deposited distributions from the primary bank
19 accounts totaling approximately \$3,700,000 to his secondary bank accounts in the name of
20 Dynamic Strategy Foundation and the Atlas Group. DANIEL ANDERSEN made personal
21 expenditures from these accounts including checks for a 1997 Dodge Ram Pickup for \$29,195
22 remitted on May 2, 1997, a 1997 CMC Motorcycle for \$26,700 remitted on July 2, 1997, three
23 Rolex watches for \$35,400 remitted on March 31, 1998, a Cartier watch for \$15,950 remitted
24 on July 7, 1998, a 2000 Harley Davidson Motorcycle for \$33,024 remitted on September 9, 2000,
25 and a residence located at 2300 Peninsula Rd., Oxnard, California for \$256,263 remitted on
26 February 9, 2000. Because the profit distributions were available to DANIEL ANDERSEN for
27 his personal use, benefit and enjoyment, these funds constitute taxable income to DANIEL
28 ANDERSEN.

1 b. DAVID STRUCKMAN received and deposited distributions from the primary bank
2 accounts totaling approximately \$5,100,000 to his secondary bank accounts in the names of
3 Crescent Moon Enterprises and Specktackular Holdings. DAVID STRUCKMAN made personal
4 expenditures from these accounts including checks or wire transfers for a 1964 Hatteras Boat for
5 \$40,000 remitted on June 30, 1998, a 1958 Chevrolet Corvette for \$32,50 remitted on June 29,
6 2000, a 1935 Ford Vehicle for \$39,197 remitted on June 29, 2000, a 1999 Mercedes Benz
7 ML430 for \$45,801 remitted on November 6, 2000, and a residence located at 25904 SE 164th
8 St., Issaquah, Washington for \$520,779 remitted on September 15, 2000. Because the profit
9 distributions were available to DAVID STRUCKMAN for his personal use, benefit and
10 enjoyment, these funds constitute taxable income to DAVID STRUCKMAN.

11 c. LORENZO LAMANTIA received and deposited distributions from the primary
12 bank accounts totaling approximately \$2,500,000 to his secondary bank accounts in the names of
13 Pacific Dynamics Foundation (Bank of America), Galt Group (Bank of America, Bank One, First
14 State Bank of Dix) and KAYLO (Bank of America and Asian American Bank). LORENZO
15 LAMANTIA made personal expenditures from these accounts including checks or wire transfers
16 remitted for a 1995 Lincoln Mark VII automobiles for \$24,895 remitted on June 30, 1997, a 1996
17 Chevrolet Tahoe for \$27,686 remitted on September 17, 1999, a modular home for \$110,747
18 remitted on October 16, 2000 and a residence located at 18801 Buttondown Lane, Mountain
19 Ranch, California for \$356,489 remitted on January 24, 2000. Because the profit distributions
20 were available to LORENZO LAMANTIA for his personal use, benefit, and enjoyment, these
21 funds constitute taxable income to LORENZO LAMANTIA.

22 Tax Filing History

23 13. A review of IRS records for DANIEL ANDERSEN reveals that he has not filed U.S.
24 Individual Income tax returns during the years of the conspiracy, namely tax years 1996 through
25 2002. In 1995, DANIEL ANDERSEN and his wife filed a U.S. Individual Income tax return
26 reflecting adjusted gross income of approximately \$35,807. In 1994 they filed a U.S. Individual
27 Income tax return reflecting adjusted gross income of approximately \$77,601. In 1993, DANIEL
28 ANDERSEN filed an U.S. Individual Income tax return declaring adjusted gross income of

1 approximately \$26,481.

2 14. A review of IRS records for DAVID STRUCKMAN reveals he has not filed U.S. Individual
3 Income tax returns during the years of the conspiracy, namely tax years 1993 through 2002. In
4 1992, DAVID STRUCKMAN filed an U.S. Individual Income tax return claiming adjusted gross
5 income of \$45,298.

6 15. A review of IRS records for LORENZO LAMANTIA reveals that he has not filed U.S.
7 Individual Income tax returns during the years of the conspiracy, namely tax years 1996 through
8 2002. In 1995, LORENZO LAMANTIA filed a U.S. Individual Income tax return claiming
9 adjusted gross income of approximately \$97,318.

10 Trust Evidence

11 16. While employed as a Special Agent, I have attended two specialized training courses related
12 to abusive or sham trusts. In September of 1998 I attended certain sections of the IRS Examination
13 Division Abusive Trust training class. In addition, I taught a section of the training course related
14 to identifying possible criminal violations of the income tax laws related to trusts. I have also
15 attended a one-week training course during March of 1999, which covered the criminal aspects of
16 investigating abusive trust schemes. From my knowledge and experience, I know that it is an
17 established principle of federal tax law that income is taxed to the person who earns and enjoys
18 and/or directs the use of such income. From my training and experience I have learned that federal
19 court cases have consistently held that arrangements involving sham transactions intended to assign
20 income purely for the purpose of evading federal income taxes are unlawful. From my training and
21 experience, and knowledge gained from other IRS Special Agents, I know that individuals involved
22 in conspiracies to conceal income from the government often use a variety of entities, including
23 domestic trusts, offshore trusts, false names and nominees in order to disguise and conceal income.
24 A trust is a form of ownership of property which completely separates responsibility for, and control
25 of, the property from the benefits of ownership. The "grantor" transfers property to the trust. Legal
26 title to the trust property is held by the "trustee," who exercises control over the trust property, and
27 has the responsibility of managing the trust. A trustee can be either an individual or an institutional
28 entity. The right to receive the benefits of the trust property belongs to the "beneficiary" of the trust.

1 Legal trusts are frequently used to hold assets in estate planning, for charitable purposes, and for
2 certain beneficiaries, such as minors or incompetents. No legitimate, legal trust arrangement
3 reduces or eliminates all income tax. All income a trust receives, whether from a foreign or
4 domestic source, is taxable to the transferor (grantor) of the trust property, the trust, or the
5 beneficiary, unless specifically exempted by the Internal Revenue Code. A domestic, non-grantor
6 trust is required to file an annual Federal Estate and Trust Tax Return.

7 17. Based on my training and experience, I know that the IRS uses a variety of factors when it
8 determines whether a trust is an alter ego or bogus trust. If a trust has economic substance, and
9 it is not a grantor trust, it may remain a separate taxable entity. As a separate taxable entity, it would
10 be subject to a tax on its income, and that income, unless it were distributed, would not be attributed
11 to another. But in order to be a separate taxable entity, a trust must have economic substance. A
12 trust is not a separate taxable entity if it is merely a paper entity, existing only to assist a grantor or
13 a trustee to avoid taxation. In addition, if a trust is so controlled by a trustee that it is being used by
14 him to advance his own personal purposes rather than to achieve a legitimate trust goal, the trust is
15 said to be merely the alter ego of the trustee. Four factors that show a trust has no economic
16 substance are: 1) the trust effects no material change in anyone's relationship to the property, 2)
17 there is no outside, independent trustee, 3) no economic interest passes to a named beneficiary, and
18 4) the trust places no substantial restrictions on the trustee's use of the property or, if it does, the
19 trustee fails to honor those restrictions. In 1997 the IRS published a notice warning taxpayers that
20 such trusts are abusive trusts that will not reduce or eliminate income taxes and may subject
21 individuals who utilize them to civil and criminal penalties.

22 18. A search warrant was executed at the home of DANIEL ANDERSEN at 2300 Peninsula Rd.,
23 Oxnard, California on February 28, 2001. Documents recovered in the search warrant included
24 records of three purported foreign grantor trusts in the names of Capital Finance Group, Dynamic
25 Strategy Foundation, and Independent Diversity Entrepreneurs and Association and five purported
26 common law pure trust including one in the name of Educational Publishing Systems all obtained
27 by DANIEL ANDERSEN.

28 19. A review of the trust documents reflects the following:

1 a. On or about April 15, 1996, DANIEL ANDERSEN purchased a foreign trust in the
2 name of Capital Finance Group (CFG). DANIEL ANDERSEN was named Treasurer of the trust
3 and DAVID STRUCKMAN the Secretary.

4 b. On or about July 8, 1996, DANIEL ANDERSEN purchased a foreign trust in the name
5 of Independent Diversity Entrepreneurs Associates (IDEA). DANIEL ANDERSEN was named
6 Treasurer of the trust and DAVID STRUCKMAN the Secretary.

7 c. On or about January 19, 1999, DANIEL ANDERSEN obtained a common law "Pure
8 Trust" from IFC in the name of Educational Publishing Systems (EPS). DAVID STRUCKMAN
9 and LORENZO "MILANO" were each named "Managing Director" of the trust. I know from the
10 investigation that LORENZO LAMANTIA has used the alias LORENZO "MILANO."

11 20. IRS Revenue Agent Nicoli Ferrell reviewed the trust documents seized from DANIEL
12 ANDERSEN'S residence. Revenue Agent Ferrell has been employed as an IRS Revenue Agent
13 since 1987 and holds bachelor degrees in accounting and finance. Revenue Agent Ferrell's
14 experience with the IRS includes identifying and auditing abusive trusts. Revenue Agent Ferrell
15 assisted in authoring materials used in training other IRS Revenue Agents in the area of identifying
16 and auditing abusive trusts. Revenue Agent Ferrell has been qualified as an expert in the area of the
17 taxation of abusive trusts in U.S. District Courts in the Districts of Colorado, Idaho, Oregon and
18 Wyoming. Revenue Agent Ferrell examined these trust documents and concluded that the trusts
19 appeared to be alter ego trusts because, among other things:

20 a. The trust documents did not define the purpose of the trust;

21 b. The trust documents did not identify the assets to be placed into the trusts; and

22 c. The trust documents appeared to grant to the person purchasing the trust control
23 over the operation of the trust and its assets by naming that person as an officer or
24 managing director of the trust.

25 21. I believe that the purported trusts in the name of Capital Finance Group, Educational
26 Publishing Systems, Dynamic Strategy Foundation, and Independent Diversity Entrepreneurs and
27 Association are bogus trusts for the following reasons: (1) the IRS expert reviewed the trust
28 documents and concluded that they appear to be alter ego trusts; and (2) DANIEL ANDERSEN

1 exerted dominion, ownership, and control over the trust assets namely, the funds in the related
2 bank accounts as set forth above.

3 22. I reviewed various editions of the Global 1 tape series. The first edition was authored by
4 Keith E. Anderson and was entitled Gateway To Financial Freedom. Among other things, Keith E.
5 Anderson falsely claimed that an individual could voluntarily remove oneself from the jurisdiction
6 of the United States and federal income tax laws by reclaiming one's "sovereignty." The theory of
7 sovereignty, which was also promoted at the G2 and G3 offshore seminars, falsely claims that one
8 can voluntarily opt-out of the tax system by disassociating oneself from the government through
9 various means including "rescinding" one's social security number and discontinuing use of
10 government issued documents such as driver's licenses and birth certificates. The second and
11 subsequent editions of the tape series featured an individual named JVH, who also promoted the
12 false theory of sovereignty. Both Keith E. Anderson and JVH further advocated structuring one's
13 financial affairs using trusts purportedly foreign to the jurisdiction of the United States and the use
14 of "W-8 bank accounts." From my training and experience I have learned that federal court cases
15 have consistently rejected such theories of sovereignty when utilized to evade federal income taxes.

16 23. I learned from witnesses familiar with the internal operation of Global Prosperity that
17 DANIEL ANDERSEN, DAVID STRUCKMAN AND LORENZO LAMANTIA selected and
18 approved the tape series which represented the Global 1 product. Further these witnesses stated that
19 DANIEL ANDERSEN, DAVID STRUCKMAN AND LORENZO LAMANTIA utilized the
20 methods advanced on the Global 1 tapes to structure the both business of Global Prosperity and their
21 personal affairs through the use of trusts and W-8 bank accounts.

22 24. A Form W-8 is an IRS Form entitled "Certificate of Foreign Status." It is used by non-
23 resident foreign aliens, foreign entities or exempt foreign persons to inform financial institutions
24 such as banks that they are not subject to certain IRS reporting rules such as backup withholding.
25 Bank account information from US Bank reflects that DAVID STRUCKMAN falsely utilized a
26 Form W-8 to open the Alternate Ventures, Crescent Moon Enterprises, and Specktackular Holdings
27 bank accounts because these nominee entities conducted business in the United States and were not
28 foreign entities.

1 25. I have reviewed a videotape seized in a search warrant of the business office of Global
2 Prosperity in Marlborough, Massachusetts in August 2001. The videotape was a recording of a
3 presentation made by DAVID STRUCKMAN and his wife Laura Struckman at a Global Prosperity
4 seminar held in Aruba on June 11, 1998. The following is an excerpt from the presentation:

5 **David Struckman:** "First off, I'm a product of the product, I don't have anything, my pockets are
6 empty. Every property that we [sic], whether it's a car, boat or whatever is not owned by us. It's
7 actually owned by a trust. And we do very well at treasurer, secretary, managing directors. Well,
8 one of my dreams was to have a boat you know. Something that we just could go out on the lake
9 with. Not real big. Nothing real scary you know because I've never been in a boat uh as far as
10 driving it you know. And I don't have a lot of time I'm always on the phone so I thought I'd get
11 something that's really nice fix it up and make sure it's easy to drive. So we got a 26 foot Bayliner."

12 **Laura Struckman:** "We didn't."

13 **David Struckman:** "No the trust did, the trust got,"

14 **Laura Struckman:** "And they asked us to take care of it for them,"

15 **David Struckman:** "To manage the boat, ok."

16 Later in the presentation DAVID STRUCKMAN explained how he manages his personal affairs.

17 **David Struckman:** "I'll tell you exactly what I did. Number one, I got out of debt. I cut up every
18 credit card I had, sent it back and paid them off. Number two, I closed out everything with my name
19 on it that attached me to a Social Security or a 'social slave' number. What that means is that I
20 closed out bank accounts, I closed out everything that was attached to a social security number but
21 not before I had tools in place to replace those. So in other words what I did I went out and opened
22 up about three W-8 accounts before I closed out the checking and savings account that had my name
23 on it, does that make sense to you? I never gave up anything."

24 26. I believe that DAVID STRUCKMAN exerted dominion, ownership, and control of the
25 nominee entities he operated in the names of Alternate Ventures, Crescent Moon Enterprises and
26 Specktackular Holdings because he had signature authority over the related bank accounts as set
27 forth above.

28 27. A search warrant was conducted on the business of Innovate Financial Consultant (IFC)

1 in Phoenix, Arizona on February 28, 2001. IFC was in the business of selling "Pure Trust
2 Organizations" which purported to be common law trusts exempt from federal taxation. IRS
3 Agents compared pure trust documents seized from the IFC business with the five pure trust
4 documents obtained from the search of DANIEL ANDERSEN's residence and concluded that the
5 pure trust documents were identical in all respects except for the names of the pure trusts and the
6 parties.

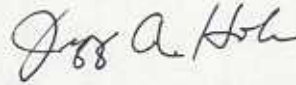
7 28. Records obtained from the search warrant conducted on the business of IFC reflect that
8 LORENZO LAMANTIA obtained four "Pure Trust Organizations" from IFC in the names of
9 Pacific Dynamics Foundation, International Free Entrepreneurs Association (IFEA), Galt Group,
10 and KAYLO. The trust documents of the forgoing trusts were not recovered in the search of
11 LORENZO LAMANTIA's residence. However, records obtained from the search of the IFC
12 office, which includes a trust creation log and LORENZO LAMANTIA's client folder, reflect
13 the creation of these trusts.

14 29. I believe that the purported trusts in the name of Pacific Dynamics Foundation,
15 International Free Entrepreneurs Association (IFEA) Galt Group and KAYLO are bogus trusts
16 for the following reasons: (1) the IRS expert reviewed the IFC trust documents and concluded that
17 IFC trusts appear to be alter ego trusts; and (2) LORENZO LAMANTIA exerted dominion,
18 ownership, and control over the trust assets namely, the funds in the related bank accounts as set
19 forth above.

20 CONCLUSION

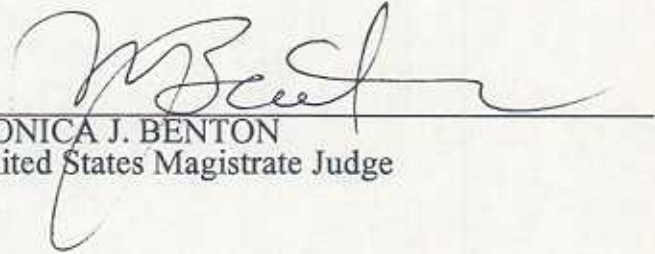
21 30. Based on the foregoing, I believe that probable cause exists that DANIEL ANDERSEN,
22 DAVID STRUCKMAN and LORENZO LAMANTIA knowingly, intentionally, and unlawfully
23 conspired with each other to defraud the United States by dishonest and deceitful means by
24 attempting to impede, impair, obstruct and defeat the lawful government functions of the Internal
25 Revenue Service (IRS) of the United States Treasury Department in the ascertainment,
26 computation, assessment and collection of income tax in violation of Title 18 United States Code
27 Section 371. In furtherance of the conspiracy, DANIEL ANDERSEN, DAVID STRUCKMAN
28 and LORENZO LAMANTIA utilized a system of bogus trusts, nominee entities and related bank

1 accounts to conceal the business of Global Prosperity and conceal millions of dollars of taxable
2 income and profits earned from Global Prosperity.

3 

4 _____
5 JEFFREY A. HOLM, Complainant
6 Special Agent, IRS, Criminal Investigation

7 Complaint and affidavit sworn to before me and subscribed in my presence, this 4 day
8 of May, 2004.

9
10 

11 _____
12 MONICA J. BENTON
13 United States Magistrate Judge
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28